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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 9, 2001

APPLICATION OF

APPALACHIAN POWER COMPANY d/b/a AMERICAN ELECTRIC POWER-VIRGINIA

CASE NO. PUE010011

For approval of a Functional Separation Plan under the Virginia Electric Utility Restructuring Act

ORDER ON MOTION

On October 5, 2001, the Commission Staff filed a Motion requesting that it be allowed to file Supplemental Testimony in the above-captioned proceeding. Specifically, the Staff desires to submit testimony examining the effect of proposed increases in the wholesale electric transmission rates of Appalachian Power Company d/b/a American Electric Power-Virginia ("the Company"); a filing seeking such increases was made on behalf of the Company at the Federal Energy Regulatory Commission ("FERC") on August 31, 2001. The Staff indicates that such rate filing may impact the transmission rates borne by shopping customers as well as the development of a competitive retail electricity market in Virginia. Consequently, Staff details a number of potential options for addressing this issue in the rate unbundling component of the instant proceeding. The

Supplemental Testimony was attached to the Motion. Staff represents that no party will be prejudiced by the granting of this motion.

Upon consideration, the Commission finds that the Staff's request should be granted. We further find that the Company and all other parties should be afforded an opportunity to respond to Staff's Supplemental Testimony. Accordingly,

IT IS ORDERED THAT Staff's Motion should be granted and its Supplemental Testimony is hereby accepted. The Company and any party may file testimony or comments, as appropriate, on or before October 22, 2001.